

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2938 - HB 3590

February 11, 2010

SUMMARY OF BILL: Authorizes existing local education agencies to convert to a special school district.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Other Fiscal Impact – State BEP money will transfer from the city or county school system to the special school district. Local government revenue and expenditures from a city or county government will shift to the special school district. This amount is unable to be quantified but is estimated to exceed \$100,000 and will be permissive.

Assumptions:

- State BEP formula and allocations are unchanged.
- Special school districts will be autonomous from the county or city government.
- The county or city government will no longer issue debt or levy taxes for maintenance of a LEA that becomes a special school district. Debt issuance and taxing authority will transfer to the special school district. Any LEA debt currently on the city or county's books will transfer to the special school district.
- Special school districts will require separate audits. Any increase in state expenditures to conduct such audits is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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